

EUROPEAN PARLIAMENT

EUROPEAN PARLIAMENT DELEGATION

for relations with
THE UNITED STATES

25th meeting of delegations

19-26 June 1985

WASHINGTON, DC and WEST POINT, NY

Background note

on

EC-US Trade Relations,
including comparative statistics

drawn up by
the Directorate-General
for Research and Documentation

DIRECTORATE-GENERAL FOR COMMITTEES
AND INTERPARLIAMENTARY DELEGATIONS

A) EEC-US trade

1. There was a considerable increase in US imports from the European Community in 1984. (See attached tables.) While US imports overall rose 17.71% in 1984, imports from the Community grew by 30% (in 1983 : 3%). Last year, therefore, the favourable export conditions as a result of the high rate of the dollar benefited the Community more than other trading partners of the US. Particularly high increases in Community exports of raw materials (+32%) and of manufactured goods (+35%) were recorded, while increases in respect of food products and beverages (+14%) and energy (+15%) were significantly lower.

2. US exports to the European Community also rose in 1984: by 5%, compared with a 6% fall in 1983. Since there was a higher increase in US exports to other countries, US exports to the Community as a percentage of total exports fell slightly : to 21.09% from 21.74% in 1983. US exports of food products and beverages (-16%), raw materials (-2%) and energy (-3%) to the Community fell in particular. However, exports of manufactured goods rose by 9%.

Because of these developments, the Community's balance of trade with the US showed a surplus of \$14 369m in 1984, compared with a surplus of \$2 476m in 1983 and a deficit of \$2 081m in 1982.

B) The new GATT round

3. A well functioning, open, multilateral trading system is in the interest of both the European Community and the US, which together account for 35% of world trade; they therefore attach much importance to the effective operation of the GATT. In recent years, world trade has been increasingly marked by voluntary export restraints and orderly-marketing agreements, more and more of which are not subject to GATT rules.

4. This is why the European Community, as well as Japan and the US, is in favour of a new GATT round. However, the Community has been unwilling to commit itself to a starting date for these negotiations. The Council takes the view that a genuine halt must be called to protectionist practices, which are on the increase.

Trade restrictions should gradually be abolished; and the 1982 GATT work programme, extended by the GATT members in 1984, should be continued.

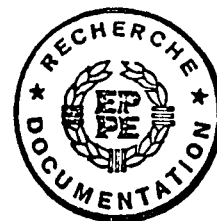
Furthermore, the Council takes the view that trade in services is a possible subject for negotiations and that attention should also be given to questions concerning copyright infringements and intellectual property.

5. As regards negotiations on agriculture in the new round, the Community is prepared to support improvements, within the existing framework of GATT rules and codes of conduct, concerning all aspects of trade in agricultural products - exports and imports - with full regard for agriculture's particular nature and problems.

The Council is firmly convinced that the basic objectives and mechanisms of the CAP, with regard to both intra- and extra-Community aspects, must remain intact.

6. As is well known, much of the trade in agricultural products is not covered by GATT rules. Both the US and the European Community have been largely responsible for creating this situation, which is undesirable in terms of freedom of competition on the world market : as early as 5 March 1955, the former called for - and was granted - a GATT waiver for its agricultural products; in 1979, the latter stipulated that it would accept the rules laid down in the Tokyo Round only if the GATT members accepted the Community's export subsidies.

Both parties have therefore been instrumental in creating the obscurity now surrounding trade in agricultural products.



BASIC STATISTICS
Comparison between the Community and the USA

			EUR10	USA
Population	1982	1000	271 766	232 057
Area	1982	1000km2	1 656	9 373
NATIONAL ACCOUNTS:				
GDP, total	1982	bn ECU	2 412	3 104
GDP, annual growth	Sep 84	%	+2.1	+6.1
GDP per capita	1982	ECU	8 874	13 377
PRICES and EMPLOYMENT:				
Annual inflation rate	Feb 85	%	+5.7	+3.5
Unemployment rate	Jan 85	%	11.8	7.4
PRODUCTION:				
Gross fixed capital formation	annual	%	+1.2	+17.3
Index of industrial production	Jan 85)	%	+1.1	+5.0
Production of cars	1982	1000	9 379	5 074
Production du crude oil	1982	mn t	113	480
Production of crude steel	1982	1000t	111 442	67 657
Consumption of energy per capita	1982	toe	3 255	6 694
Consumption of steel per capita	1983	kg	400	396
INDICATORS:				
Cars in use per 1000 persons	1982		341	547
Televisions per 1000 persons	1980		295	624
Doctors per 100 000 persons	1982		238	182
AGRICULTURE:				
Utilised agricultural area	1982	1000ha	101 716	428 169
Production of cereals	av1980-82	1000t	126 423	304 181
Number of cattle	1982/83	1000	79 381	115 690
Milk production	1983	1000t	120 574	61 596
FOREIGN TRADE:				
Trade balance, total	1983	mn ECU	-26 503	-138 453
of which: agricultural products	1983	mn ECU	-23 595	+28 599
Trade balance with USA	1983	mn ECU	-3 207	-
of which: agricultural products	1983	mn ECU	-5 668	-
Importance of foreign trade	1982			
share of GDP		%	26.1	8.0
imports		%	24.9	7.0
Share of world trade	1983			
imports		%	19.7	17.3
exports		%	19.0	14.1
BALANCE OF PAYMENTS:				
Balance on current account	1983	mn ECU	+4 951	-47 853

USA foreign trade in 1970, 1979 and 1984

EXPORTS

in mio US\$

	Grand total		of which							
			Food, beverages and tobacco		Manufactured products		Raw materials		Energy	
	World	EC (%)	World	EC	World	EC	World	EC	World	EC
1970	43224	26.6%	5167	1512	29731	7721	5158	1543	1696	357
1979	176788	23.2%	24991	4743	119558	27354	22404	6678	5687	1426
1984	216008	21.1%	27602	3891	148582	33335	21999	5395	9468	2178

IMPORTS

	Grand total		of which							
			Food, beverages and tobacco		Manufactured products		Raw materials		Energy	
	World	EC (%)	World	EC	World	EC	World	EC	World	EC
1970	39952	23.2%	6230	1001	25907	7636	3466	203	3075	122
1979	217387	16.4%	19109	2726	119554	28923	11602	530	63674	2722
1984	338189	17.7%	23419	4214	232966	46394	11853	831	63074	6742

Source: Banque 'Comtrade' de l'ONU a Geneve